BRITISH COLUMBIA
The Best Place on Earth

BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 07-39 September 28th, 2007

- **BC continuing to attract people from most other parts of Canada**
- **13% of high-income Canadians live in BC**
- **BC households keen on water conservation**

Population

- **During the second quarter of 2007, BC gained an estimated 16,717 people, the result of net migration from all sources.** The province has been attracting migrants from the rest of Canada, and the second quarter net gain was 3,295 people, with every province but Saskatchewan being a net donor of population to BC. The biggest net inflows came from Alberta (+1,514), Ontario (+1,123) and Quebec (+583).

  Alberta (+7,437) was the only province with a bigger net gain as a result of migration within Canada, with net inflows from every province except BC and Saskatchewan. The drawing power of the booming western economies is evident in the migration statistics, which show BC and Alberta, together with Saskatchewan (+2,707) pulling people from the rest of the country, while Ontario, Quebec, Manitoba and Newfoundland are losing migrants.

  International migration continued to swell BC's population, with a net increase of 9,891 people. However, the number of immigrant arrivals was the lowest second-quarter total since the turn of the century. BC's share of total Canadian immigration was 15.4%.

  Data Source: Statistics Canada & BC Stats

- **BC's population grew 1.4% during the twelve-month period ending July 1st, 2007, rising to 4,380,256.** This was the second-highest population growth among the provinces, after Alberta (+3.1%). Saskatchewan (+0.9%) was the only other province where the population grew by close to one percent during this period. Newfoundland (-0.7%), and Nova Scotia (-0.1%) saw declines in population from 2006 to 2007. The Canadian population as a whole expanded 1.0%, rising to 32,976,026.

  Data Source: Statistics Canada

The Economy

- **The number of British Columbians receiving regular Employment Insurance (EI) benefits jumped 13.7% (*seasonally adjusted*) between June and July, ending a long-run decline.** Nationally, there were 12.0% more people receiving regular EI benefits. Manitoba (+32.6%) posted the biggest increase, but the number of beneficiaries was up in every province except Newfoundland & Labrador (-0.2%).

  Data Source: Statistics Canada

- **Sawmills and planing mills in the province produced 6.4% less lumber this July than in the same month last year.** Mills in the Interior slowed their output by 2.3%, while production at coastal mills was down more substantially (-34.2%). Canadian lumber production slipped 8.6%, largely due to a significant downturn in Quebec (-28.0%), Canada's second-biggest lumber producing province. Year-to-date, BC sawmills have accounted for over half of the lumber production in Canada.

  Data Source: Statistics Canada

- **Restaurant, caterer and tavern receipts in the province inched down in July (-0.3% *seasonally adjusted*), on the heels of a similar decline in June.** Drinking places took in more (+0.8%), but food service establishments had a less lucrative month (-0.4%). Canadian establishments fared relatively well (+0.4%) as revenues at both drinking places (+1.4%) and food service establishments (+0.3%) were up.

  Data Source: Statistics Canada & BC Stats

High Income

- **In 2004, 13% of high-income Canadians lived in British Columbia.** There were 1.2 million Canadians with an annual income of at least $89,000 in 2004, making up the top five percent

Report BC Hotel Industry Review

Did you know...
Americans spent an estimated US$25.9 billion on lawn-care and landscape maintenance in 2006. *Source: National Gardening Association*

of the country's taxfiler population in that year. Nearly half (46%) of the nation's high-income earners lived in Ontario, followed by Quebec (18%), Alberta (15%) and BC. The prevalence of high income appears to peak in the pre-retirement years. In 2004, individuals aged 45 to 64 represented over half (54%) of high-income Canadians, but only a third (33%) of all taxfilers. Women are making gains in their share of higher incomes. In 1982, women accounted for just one in seven of the top five percent of income earners, and by 2004 they made up one in four. *Data Source: SC Cat. #75-001-XIVE*

Environment

- **BC households are among the most likely in the country to practice outdoor water conservation.** In 2005, 34% of households in the province that watered their lawns and/or gardens made use of a timer, significantly more than the average Canadian household (24%). At the same time, British Columbia (79%) was second only to Ontario (80%) in the percentage of households that water their lawns and/or gardens. Households in New Brunswick (56%) were the least likely to water their outdoor green spaces. Far more BC gardeners watered their gardens (81%) in 2005 than their lawns (54%). In PEI, only 18% of households watered their lawns.

  From 1994 to 2005, the number of households in BC using pesticides on their lawns and gardens edged down from 30% to 29%. Among other provinces, Quebec, where pesticides were halved in that period (from 30% to 15%) had the most pronounced drop. The Prairie provinces led the country in pesticide usage in 2005, with about two out of every five households using them on their lawns and gardens.

  Landscaping activities are a popular pastime for many Canadians. On a typical day in 2005, approximately 11% of Canadians aged 30 and older spent time working on their lawn or garden, with the average person spending more than two hours tending to their yards. Lawn and garden care is also a booming industry in Canada with sales of related products and equipment hitting more than $2 billion in 2006. *Data Source: SC Cat. #16-002-XIVE*

The Nation

- **The Canadian economy continued to grow at a steady rate in July, expanding 0.2% *(seasonally adjusted)* over the June level.** The growth was driven by the service sector, which picked up speed (+0.3%) following a somewhat lacklustre performance (+0.1%) in June. Wholesale trade (+2.3%) and transportation & warehousing (+1.1%) recorded particularly strong gains but the rest of the service sector was a mixed bag of ups and downs. Among the larger industries, finance, insurance & real estate advanced 0.4%, but the retail industry contracted (-0.8%).

  The goods sector did not fare as well, with GDP slipping 0.1% as three of five industries posted declines. Mining, oil & gas extraction (-1.4%) contracted for the fourth time in five months. However, both construction (+0.6%) and manufacturing (+0.4%) activities picked up in July. *Data Source: Statistics Canada*

- **Tourism spending in Canada increased 0.8% in the second quarter.** The increase was driven by both domestic tourism demand (+0.4%) and tourism spending by non-residents (+1.8%). *Data Source: Statistics Canada*

- **Canadian manufacturers' selling prices were 0.7% lower in August than in the same month of 2006.** The decrease was mostly attributable to falling prices for motor vehicles & other transportation equipment (-3.4%), primary metal (-3.8%) and petroleum & coal products (-6.3%). Prices for pulp & paper (-2.6%), electrical & communications products (-2.3%), and machinery & equipment (-1.6%) were also down.

  BC producers of softwood lumber products received less (-3.4%) for their lumber than they had a year earlier. Prices for Interior lumber (-6.6%) were significantly lower, outweighing an increase for coastal lumber (+5.2%). On the other hand, selling prices for BC pulpwood chips were up a notable 43.3% over August of 2006. *Data Source: Statistics Canada*

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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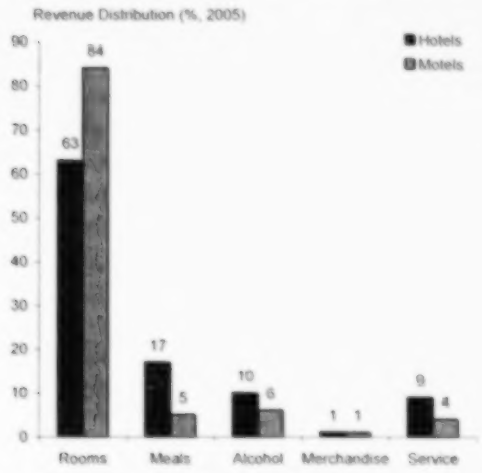
Originally published in
Tourism Sector Monitor Issue 07-08

BC Hotel Industry Review

Hotels offer a wide range of services

BC's accommodation industry is comprised of a selection of establishments such as hotels, motels, bed and breakfasts, and so on. Hotels not only provide suites or guest rooms within a multi-story or high rise structure (accessible from the interior only), they also generally offer guests a range of associated services and amenities, such as food and beverage services, parking, laundry services, swimming pools and exercise rooms, and conference and convention facilities. Those services are meant to target most travellers' needs.

Hotel revenues originate not only from room charges, but also from other services

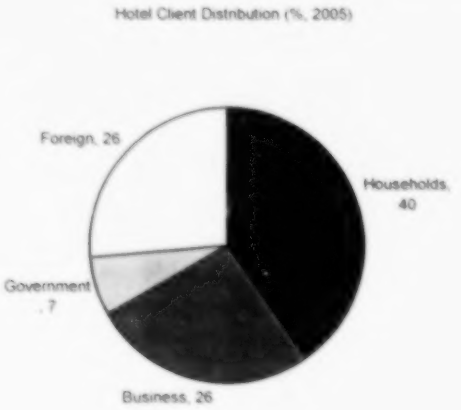


Data Source: Canadian Tourism Commission (CTC)

While often in competition with each other, motels and hotels are both affected by social and economic conditions, and still preserve their own nature. Typically larger and more expensive than motels, hotels, especially larger establishments, are most often located in urban areas or central locations. Hotel room rates are often higher than those levied by motels. According to the Canadian Tourism Commission (CTC), the average daily room rate for hotels and motor hotels was $139, almost twice as expensive as motel room rates ($77) in 2005.

Hotels and motels have different sources and allocation of revenues. Most hotel revenues originate in room charges (63%), which is less than the share of motel room revenues (84%). Not surprisingly, hotels, which typically offer a wider range of services than motels, derive a bigger share of the revenues providing meals and alcohol (27%), selling hotel merchandise (1%) to customers and also other services (9%), while such services only account for about 16% of total motel revenues[1].

Motels attracted more domestic stays than foreign visits



Data Source: CTC

Hotels and motels also attract different types of clients. In 2005, nearly 85% of motel clients were domestic customers, and 43% of motel stays were personal rather than business (36%). The share of domestic clients for ho-

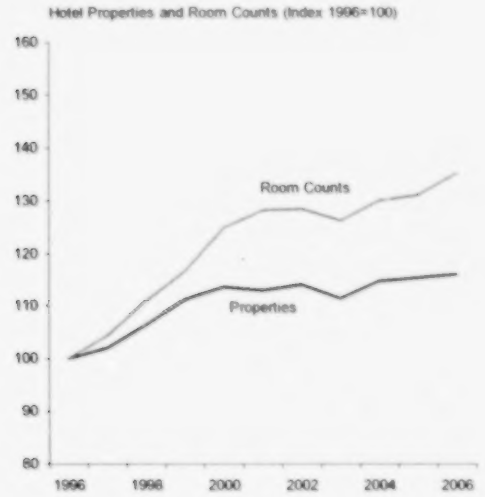
[1] CTC, Traveller Accommodation Survey, 2005

tels was 74%, about 11 percentage points less than it was for motels. However, 26% of hotel guests were foreign visitors, while motels welcomed much fewer foreign stays (15%).

Increasing room counts and number of properties

The number of hotels in BC increased 15.9% between 1996 and 2006, reaching 699 properties. In addition, hotel room supply advanced substantially. Room counts in BC for motels rose 35.1%. This indicates that not only the number of hotels increased, hotels also grew in size.

There are more hotels rooms and the number of hotels has been stable

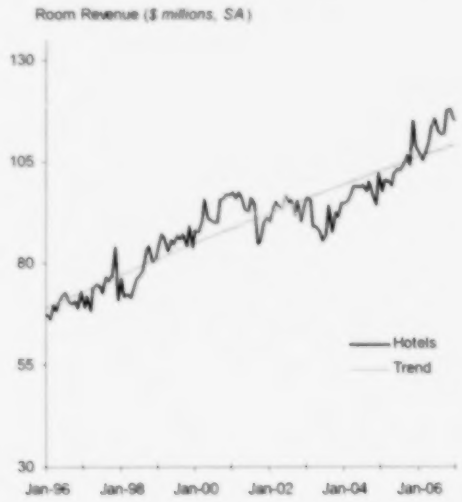


Data Source: BC Stats

BC's hotel industry expanding and surpassing motels

BC's hotel industry has been expanding. Room revenues at hotels have been continuously trending up over the last decade, recording a 60.3% increase between 1996 and 2006. Room revenues at hotels in BC maintained a moderate rate of growth between 1996 and 2003. They picked up speed in 2004 (+7.6%), and revenues climbed even higher in 2006 (+8.1%). Hotels of all sizes also experienced much greater gains in room revenues than motels (+44.4%) between 1996 and 2006. However, the growth in room revenues at hotels was not as big as the increase in BC as a whole (+66.7%), and the other types of accommodations, including vacation rentals (+170.9%), fishing lodges, bed and breakfasts, and campgrounds (+156.1%).

Revenues at hotels trending up

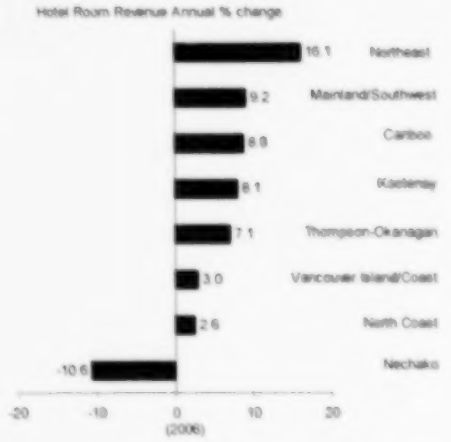


Data Source: BC Stats

Hotels in all regions except Nechako experienced growth in room revenues in 2006

Hotel revenues in all regions but Nechako experienced growth in room revenues in 2006. Hotels located in Northeast (+16.1%), Mainland/Southwest (+9.2%), Cariboo (+8.8%) and Kootenay (+8.1%) grew more than the average for each region as a whole.

Northeast posting strongest growth in room revenues at hotels in 2006



Data Source: BC Stats

Between 1996 and 2006, hotels in Northeast outperformed other regions with a significant 210.1% increase in room revenues. Northeast also recorded the biggest yearly growth in hotel revenues (+16.1%) in 2006. Mainland/Southwest (+9.2%), BC's most urban area also reported a strong increase in hotel room revenues, and the share of hotel revenues of the total revenue in the region also grew from 90% to 91%. Revenues at motels in Thompson-Okanagan (+7.1%), Vancouver Island/Coast (+3.0%) and North Coast (+2.6%) continued to rise in 2006. However, room receipts in Nechako (-10.6%) slumped.

Very large and large hotels continued to grow in size and contribution to total room revenues

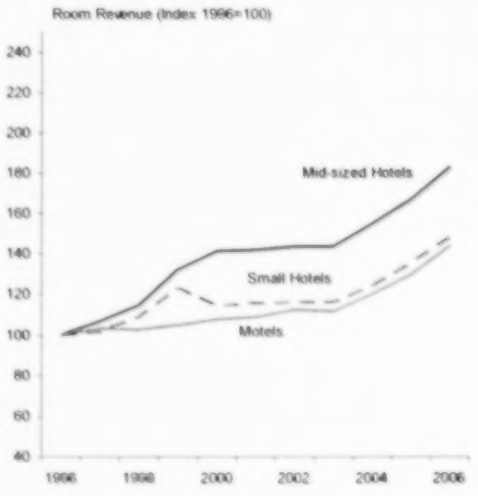
Most very large hotels (251+ rooms) are concentrated in the more urban regions, such as Mainland/Southwest and Vancouver Island/Coast. Room revenues at the very large hotels grew 49.2% between 1996 and 2006. Most of the growth was credited to the increases at very large hotels in Mainland/Southwest (+48.2%). The number of very large hotels advanced 53.8% and the room counts also climbed a substantial 60.9%.

Room receipts at large hotels grew 8.8% in 2006. Although the growth was shared mainly between Mainland/Southwest (+11.8%) and Vancouver Island/Coast (+3.0%), large hotels at Thompson/Okanagan (+8.5%) also experienced strong increases.

Mid-sized and small hotels versus motels

Mid-sized (76-150 rooms) and small hotels (1-75 rooms) are most likely to compete for customers with motels, since they are of similar sizes and provide accommodation services in similar types of facilities. Both mid-sized and small hotels in the province have posted stronger growth than motels. Between 1996 and 2006 mid-sized hotels posted strong gains (+83.1%) in room revenues, and small hotels saw revenues advance 47.9%, significantly more than the 44.4% increase in motel room revenues. However, motels showed strong annual growth in room revenues (+11.0%) in 2006, surpassing both mid-sized (+9.5%) and small hotels (+8.9%)

Mid-sized and small hotels have grown faster than motels



Data Source: BC Stats

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Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca

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BC at a glance . . .

POPULATION (thousands)	Jul 1/07	% change on one year ago
BC	4,380.3	1.4
Canada	32,976.0	1.0
GDP and INCOME (Released Apr 25)		
(BC - at market prices)	2006	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	179,701	6.4
GDP *($ 1997 millions)*	150,741	3.6
GDP *($ 1997 per Capita)*	34,971	2.3
Personal Disposable Income *($ 1997 per Capita)*	21,984	4.8
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jul	3,461	-0.5
Merchandise Exports - Jul	2,659	1.0
Retail Sales - Jul	4,734	0.0
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Aug 2007)	one year ago	% change
BC	1.3	1.7
Vancouver	1.7	2.2
Victoria	0.6	1.2
Canada	1.7	1.7
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Aug '07	prev. month
Labour Force - BC	2,360	0.2
Employed - BC	2,266	0.4
Unemployed - BC	94	-3.9
		Jul '07
Unemployment Rate - BC *(percent)*	4.0	4.1
Unemployment Rate - Canada *(percent)*	6.0	6.0
INTEREST RATES (percent)	Sep 26/07	Sep 27/06
Prime Business Rate	6.25	6.00
Conventional Mortgages - 1 year	7.05	6.40
- 5 year	7.19	6.70
US/CANADA EXCHANGE RATE	Sep 26/07	Sep 27/06
(avg. noon spot rate) Cdn $ per US $	1.0048	1.1151
(closing rate) US $ per Cdn $	0.9958	0.8998
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Aug '07	one year ago
BC	756.53	3.9
Canada	761.97	3.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

BC High Technology Profile

The 2007 Edition of the high technology profile looks at the sector in BC through an examination of key indicators such as GDP, revenue, employment, wages and salaries, establishment counts and international trade. It also offers comparisons with other provinces and US states to give a picture of the relative size of BC's industry.

www.bcstats.gov.bc.ca/data/bus_stat/busind/hi_tech.asp

Environmental Statistics Portal

A new Environmental Statistics page with links to a variety of data and reports related to different environmental issues has been added to the site. The first issue of a new BC Stats periodical, "Environmental Statistics," can be accessed from this page. It is a reprint of an "Exports" article, with some additional data tables.

www.bcstats.gov.bc.ca/data/env/env_stat.asp

Regional Employment Projections

BC Stats, with the financial assistance of the Ministry of Advanced Education, developed the Regional Employment Projection Model (REPM), designed to project industrial and occupational employment in regions of the Province of British Columbia. The model projects employment at the Regional District level and then aggregates back up to the College Region for reporting purposes.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Released this week by BC Stats

- Business Indicators, September 2007
- Current Statistics, September 2007
- Migration Highlights, Second Quarter 2007
- Immigration Highlights, Second Quarter 2007

Next week

- Immigration Highlights, Second Quarter 2007
- Small Business Quarterly,2nd Quarter 2007
- Tourism Sector Monitor, September 2007

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